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MARKET REVIEW

Because of the changing nature of our sugar market during 1960, the statistics for that year may seem quite unusual in the light of the past. At this time it may be well to relate briefly the more significant annual totals, one to another.

Although the 1960 determination of total requirements was for 10,400,000 short tons, raw value, charges against quotas or against other entitlements totalled 9,536,000 tons and the distribution of sugar by primary distributors amounted to 9,257,000 tons. Rarely, if ever, have these figures varied so greatly.

The year's requirements comprised quotas totaling almost 9 million tons and non-quota purchase authorizations amounting to 1,436,000 tons, the latter to replace the reduction in the Cuban quota. Of this last named amount, 236,000 tons were not allocated to supplying countries. This, together with about 600,000 tons of unused domestic area quotas, made up almost all the difference between total requirements and charges to quotas or to other entitlements.

The approximately 275,000 tons by which charges to quotas or to other entitlements exceeded actual distribution, reflects (1) the decisions of refiners and importers to add about 225,000 tons to their stocks of quota sugar and (2) the refining loss of 50,000 tons which is the difference between the actual recovery of refined sugar from raw sugar during the year and the recovery contemplated by the raw value formula in the Sugar Act. That loss was about in line with the average experience of recent years and the expansion of quota stocks held by refiners and importers continued and accentuated a recent trend. In the four years prior to 1960, such stocks had been increased about 200,000 tons.

Physical deliveries of sugar in 1960 may have been more than 100,000 tons in excess of the 9,257,000 tons reported as distribution by primary distributors. Beet processors reported only 3,000 tons of constructive deliveries (as distinct from physical deliveries) at the end of 1960 compared with 125,000 tons a year earlier. If per capita consumption in 1960 was about the same as in 1959 and the longer term average rate (a bit more than 103 pounds raw value), sugar inventories

of householders, industrial users, wholesalers, and retailers may have risen by an amount about in line with the reduction in constructive deliveries of beet sugar. In any event, it is likely that the two were partially, if not wholly offsetting.

Charges to quotas or to non-quota purchase authorizations by foreign countries amounted to 4,996,000 tons, while charges to the domestic quotas totalled 4,540,000 tons. The 1960 performance of domestic areas was dominated by severe handicaps in Hawaii and Puerto Rico, reflecting the continuing aftermath of a prolonged strike and work-stoppage of some years earlier in Hawaii and the low-sucrose content of sugarcane in Puerto Rico. Very substantial quota deficits were declared for Puerto Rico, Hawaii and the Virgin Islands and reallocated to the mainland sugarcane and beet sugar areas in July. At year end, in terms of adjusted quotas in effect, all domestic areas had deficits except Puerto Rico.

Marketings of the beet sugar and mainland cane areas combined (quota charges) were almost as large as those of 1959 and within five percent of the all-time record of 1958. Entries and marketings for all domestic areas, however, had been exceeded in three of the four preceding years.

For the first time in several years, inventories of beet processors were larger by a substantial quantity -- from 265,000 to 275,000 tons than at the end of any of the three preceding years and about 150,000 tons larger than the sum of year-end 1959 stocks and constructive deliveries.

Although as noted earlier, refiners and importers ended the year with inventories charged to quotas or to other entitlements about 225,000 tons more than at the beginning of the year, their total inventories (including those to be charged at the turn of the year to the 1961 quotas) were about the same as a year earlier.

The transition from 1960 to 1961 supplies was uneventful. Raw sugar prices in December and January have been relatively stable and the distribution of refined sugar during January is moving about in line with the experience of earlier years.

The spot quotation for quota raw sugar, duty paid, New York in bulk, was 6.31 cents per pound at the end of January, a decline from 6.40

in the final week. The quotation for sugar in bags was 6.45 cents through January 25 then declining to 6.35.

At the end of January, the day-to-day quotations for refined sugar appeared as shown in the table below. The separate, lower, quotation for northeastern metropolitan areas, noted last month, disappeared and for about a week in the last half of the month business was taken in the Chicago-West territory, including Texas and Oklahoma, for delivery of beet sugar through March 31, 1961, at 0.20 cent per pound less than shown in the table.

WHOLESALE REFINED SUGAR PRICE QUOTATIONS
AS OF JANUARY 27, 1961

	<u>Cane</u> cents per pound	<u>Beet</u>
Northeast	9.55	9.00 Western N.Y. & Pa.
Eastern beet		8.35 Michigan
Southeast	9.45	
Gulf	9.50	
Chicago-West)	8.80	8.80
South-West)		
<u>Pacific Coast</u>		
California, Arizona, Nevada	8.95	8.95
Oregon-Washington	8.80	8.80
Balance Territory	8.90	8.80

Trading in world market sugar under contract No. 4 of the New York Coffee and Sugar Exchange was suspended at the close of business on January 5, 1961, and the final spot quotation for the contract was issued on January 11. The contract No. 4 basically provided for delivery of sugar in Cuban warehouse and the quotations were on an f.a.s. Cuban port basis. The policy of the Cuban government to accept no sales at less than 3.25 cents per pound eliminated any possibility of lower spot quotations based on private trading in cargo lots. Furthermore, developments in Cuba increasingly clouded the prospects for orderly fulfillment of the delivery terms of the contract.

Trading on the N.Y. Coffee & Sugar Exchange in a new sugar contract No. 8 began on January 3, 1961. The first spot quotation for the new contract was 2.95 cents per pound in contrast to the artificial 3.25 cents that had been quoted for the contract No. 4 since September 1, 1960. The No. 8 quotation rose to 2.99 on January 6, was 3.06 from January 9 through January 23 and was 3.03 for the balance of the month.

The No. 8 contract provides that delivery shall be of raw cane sugar produced in Australia, Brazil, Dominican Republic, Federation of the West Indies, French Antilles, Haiti, Mauritius, Mexico, Peru, Republic of Philippines, Reunion, or Taiwan. Other countries of origin may be added by a two-thirds vote of the board.

The terms of delivery are f.o.b. and stowed in vessels or in port warehouses with charges into warehouse for deliverers' account. Sugar delivered shall be packed in new sound bags of not less than 130 pounds net nor more than 260 pounds net. Receiver shall have the right to demand delivery in bulk on notice in writing not less than 15 days prior to readiness of steamer. The deliverer and receiver may mutually agree to deliver and receive under conditions other than those stipulated in the contract.

The quota adjustments in the International Sugar Agreement are based on the spot price "as established by the New York Coffee and Sugar Exchange in relation to sugar covered by contract No. 4," (Article 20 (1)). The agreement provides in Article 20(2), "In the event of the price referred to in paragraph (1) of this article not being available at a material period, the Council shall use such other criteria as it sees fit."

Because of the suspension of the No. 4 contract, the International Sugar Council is to meet the week of February 20 to consider the adoption of new criteria to determine the prevailing price upon which quota adjustments are to be determined. The greater flexibility of the delivery provisions of the new contract No. 8 of the New York Coffee and Sugar Exchange seem even better adapted to the needs of the Agreement under changing world conditions than the old contract No. 4. The Council, at the session, will also review the market situation and make final determination of the initial export quotas for 1961.

SUGAR -- WHERE ARE WE?

An address by Lawrence Myers, Director,
Sugar Division before the Sugar Club of
New York, Thursday, January 19, 1961

Mr. President, Members and Guests of the Sugar Club of New York:

It is good to be back with you to discuss the sugar situation. I hope, however, you will permit me to change my style for once and start by saying something nice.

I should miss much that is fundamental and I should fail as a government representative if I were to omit reference to the ingenuity and courage that you members of the sugar trade have demonstrated during the past six months. Such calm accomplishment during a period of such turbulence and uncertainty is most commendable. When the government was slow in deciding on foreign quotas and reallocations you carried on. You took the risks of loading sugar on ships half way around the world and heading it toward our refineries before the government regulations were issued authorizing you to import it. Thanks to such actions by you most of our sugar consumers did not even know that they were passing through a major transitional period in this country's sugar history.

When Cuban deliveries under futures contracts became undependable you straightaway developed a new futures contract that permits delivery in many places around the world. Surely satisfactory delivery can be accomplished at some of the locations permitted under the present No. 8 contract. I wish you every success with it.

For many years this country has followed a policy of helping to achieve a sound and improved world sugar economy. You will recall that the late Mr. Chadbourne was an American. The United States Government helped negotiate the International Sugar Agreement of 1937 and became a signatory to that Agreement. In 1950 when serious negotiations got under way for a post-war International Sugar Agreement our Government with the support of our domestic sugar industry took a leading part in negotiating and drafting an agreement tailored to post-war conditions. In large part our efforts in those negotiations were directed

toward bringing about a freer and larger international sugar economy. Many of you will recall the efforts of our country to get all major consuming countries to reserve a portion of their markets for imports from the natural exporting countries.

Our Government followed a similar policy on the home front. Our domestic sugar legislation provides that nearly one-half of the growing requirements of the domestic market must be supplied from foreign sources.

Cuba was the largest direct beneficiary of these programs to expand domestic and world markets. It supplied roughly one-third of our total domestic requirements and close to 40 percent of the free world market requirements. However, this country's absorption of huge quantities of Cuban sugar removed such supplies from the world market and therefore benefitted sugar exporters throughout the world.

Under the International Sugar Agreement a forum has been established for the study and discussion of world sugar supplies and requirements and a procedure has been established for adjusting exports to import requirements. All this has been done to improve the lot of the world exporters and to avoid, if possible, a repetition of the disasters of the past.

If world conditions were normal, thinking persons now would have to "STOP, LOOK AND LISTEN". During the past five years world sugar production has expanded at an annual rate of close to 3 million tons or 6 percent. This is around three times the rate at which world population has expanded. Fortunately living standards have also risen and increases in per capita sugar consumption have enabled the world to absorb most of the increases in production.

However, let us not beguile ourselves. Recent increases in world production have not been entirely in response to the demands of the world free market. A large part of this increasing production has been for protected markets. Again and again we hear the old familiar cries of "national self sufficiency or "national self sufficiency with a safety margin" or "national self sufficiency with a surplus for foreign exchange". In the past these objectives have helped to bring about overproduction, low prices and even economic disaster.

In normal times it would have been the responsibility of the sugar community of the world to warn producers about the dangers of overproduction. In normal times the International Sugar Council presumably would have been called upon to take international note of these developments.

These are not normal times. One-third of the world's production of sugar is now under Communist control. The Communist takeover in Cuba added to Communism's earlier subjugation of the beet exporting countries of eastern Europe poses a number of threatening problems to sugar producers, consumers and markets throughout the world. Huge quantities of sugar have been sold by Cuba to the Soviet Union and Red China at fictional prices under barter agreements. Only the bear and red dragon know how much of this sugar is destined to reappear in the world markets or, alternatively, to what extent this Cuban sugar will force satellite sugar onto the world market.

If it were not so serious I should not weary you with further words about Cuba but the producer of over 10 percent of the world's production cannot be disregarded.

At one moment a Cuban official will announce that Cuba will produce to the limit and drive world prices down for the purpose of forcing competitors out of production. At another moment a Cuban official will announce that substantially all of their output will be consumed in the Soviet Union and Red China. They glibly announce the prices other consumers will be required to pay. Yet these capricious, irresponsible and conflicting threats and claims cannot be passed off as a ridiculous joke. Statesmen in sugar producing countries cannot take lightly threats of economic warfare by the country that has been the world's largest sugar producer and exporter. Similarly statesmen in importing countries must be prepared to protect the interests of their own consumers. World supplies are threatened not merely by the possibility that Cuba's output will be consumed in Communist countries but even more by the danger that managerial incompetence and ineptitude will cut Cuban production.

If world production seems to be rising at too fast a rate, therefore, we must view it in terms of today's dangers. It well may be that the sugar world is headed toward a rocky shore but even a rocky shore is welcome to a man in a sinking boat. In plain English, would we have the moral right today to urge sugar importing and exporting nations to

refrain from undertaking programs of national self sufficiency or other programs designed to safeguard the interests of their own producers and consumers? If we should climb to the house tops and shout warnings about impending surpluses, could we expect to be heard while these Cuban threats continue? As a matter of fact, would we listen to such warnings ourselves?

Inevitably, I believe, the developments in Cuba and elsewhere in the world will encourage programs of national self sufficiency. They will also encourage other exporters to produce for the markets Cuba has vacated or threatens to vacate. Already similar responses are being proposed in this country.

Both on the world front and on the domestic front sugar production is on the increase. Barring bad crops it is probable that the expansion will continue during the period of international uncertainty in sugar.

On December 16 President Eisenhower established a zero quota for imports of Cuban sugar for the first quarter of 1961 and the Department of Agriculture established basic quotas for the various other countries and producing areas. On December 22 the Secretary of Agriculture with the concurrence of the Secretary of State reallocated to other countries the quota withheld from Cuba. Apparently all of the major aspects of these actions had been anticipated. Certainly the action with respect to Cuba had been anticipated. Even the Cuban Delegate to the meeting of the International Sugar Council at Mexico City in late November stated that the United States would take no Cuban sugar in 1961.

All of the determinations of basic quotas and all of the major determinations for reallocations of the Cuban quota were in accordance with the formulas laid down under the Sugar Act. The only point at which judgment entered was in the reallocation of a total of 47,474 tons that Peru and Nicaragua appeared unable to supply during the first quarter of 1961. This small quantity was divided among as many foreign suppliers as seemed feasible. That was the limit of the area of discretion in this quarter's sugar quotas.

The fact that the law is so specific with respect to quotas and reallocations enabled the trade to have approximate knowledge as to basic quotas, except that for Cuba, prior to December 16. It gave the trade all but precise knowledge as to final quotas as soon as the President

made his determination concerning Cuba. Undoubtedly, this knowledge encouraged the sugar trade to take the financial risks involved in putting sugar on the high seas before our quotas were actually established. Such actions prevented a hiatus in arrivals.

The immediate task confronting the government and all branches of our domestic sugar producing, processing and consuming industries is to obtain an immediate extension of the Sugar Act. Clearly it will not be possible for the Congress between now and March 31 to consider all of the problems involved in the long-time extension or major overhauling of the sugar program. Therefore it will be necessary for Congress to enact some sort of short-time extension.

In a press release issued December 16 the President stated that he would again ask Congress to relieve the Executive agencies from the requirement providing for the purchase of Dominican sugar reallocated from Cuba. A bill to this effect has been transmitted to the Speaker of the House and the President of the Senate. Several bills have been introduced in the House of Representatives providing for a simple 9-month extension of the legislation. These bills would omit the amendment concerning Dominican sugar requested by the President. This is exactly the issue that twice divided Congress last summer. The issues involved are completely outside my purview. From the standpoint of sugar supplies, however, it is to be hoped that the issues can be decided promptly. Great danger is involved in delaying too long the extension of the Sugar Act. It requires anywhere from several days to several weeks of sailing time for sugar to reach our ports from points of origin. It requires additional days for loading. Frequently it requires additional weeks to secure ships. A delay until March 31 in amending the Sugar Act, therefore, could have serious consequences.

After Congress has passed a short-time extension of the sugar legislation it will probably address itself to the longer-time problems. It may be worth while therefore to examine the setting in which legislative proposals will be developed and considered.

The first and most important fact to be kept in mind is that the sugar program has operated successfully. In fact the domestic sugar program has been characterized as the most satisfactory of all of our agricultural programs. There will be a strong tendency, therefore, to continue the program in substantially its present form. Nevertheless, this should not blind the industry to the need for reexamining the sugar

program. Some strong economic pressures have developed under the program. It would be a sorry mistake for the industry to urge Congress merely to sweep these under the rug. If such an attempt should be made I dare say we may discover some of the problems can bite.

Some help to the executive and legislative branches of the government and to the industry itself may come from the study of the sugar program now being made by a group of economists in the Department of Agriculture. Government, however, should not be asked to settle all of the problems and disputes arising from pressures within the industry. Rather, I suggest that the industry adopt a do-it-yourself program. You know your own problems, the stresses and strains that exist, the compromises that must be made if a program for your industry is to be written into legislation or administered successfully.

The alternative to settling problems within the industry is rather foreboding. Surely we would not wish to see an intensification, or even a repetition, of the fight among the various domestic and foreign producing areas that occurred in 1955. Even stronger pressures exist now than did then. Probably the strongest of all issues is between new and old producers or perhaps more accurately between producers who want to get into production and those who are already in production. Naturally you in the northeast are interested in the balance that will be struck between supplies from offshore areas for refining on the east coast and those from western beet and cane sources. In the end sound economic solutions must be found. The industry should assume the major responsibilities for developing these solutions.

Certainly there will be a reexamination of our sources of sugar supplies. The question will be raised as to whether this country ever again should depend upon one foreign country for sugar to the extent we depended upon Cuba in the past. If this country is to turn to alternative sources of supply it must turn to areas that can perform the function Cuba used to perform in supplying our market. Let us never forget that over the years Cuba was largely responsible for making our sugar program function. Cuba produced and stored huge supplies it could sell to us at any time. Cuba was located close to our centers of consumption so its sugar could reach us in time to meet any sudden rise in demand. The leaders of the Cuban sugar industry adopted a policy of selling this country sugar whenever we needed it and not just when it was convenient for Cuba to sell or ship. Those who wish to replace Cuba should give consideration to the extent to which they are able and willing to perform these functions.

Undoubtedly there will be a desire to reserve some quota for Cuba in the event it again becomes a friendly and dependable source of supply. A decision will be needed as to how much quota should be reserved for Cuba and how it can be reserved effectively.

Since 1937 the sugar legislation has included mathematical formulae for breaking down over-all requirements into quotas for the various countries and producing areas. The last time the Sugar Act was up for extension and amendment, proposals were made for essentially transferring the foreign quota making authority from the legislative to the executive branch of government. This would provide flexibility in the determination of quotas for foreign countries. Here again it is to be hoped that any controversies will be less heated and protracted than they were a year ago.

Recently there has been some discussion of the possible advantages of year to year extensions of the Act until developments in Cuba can be more permanently assessed. Undoubtedly a short-time extension would have some advantages from that point of view. It might also emphasize to other countries and producing areas that any reallocations they obtain from Cuba are only of a temporary nature.

However, is a short-term extension really being proposed for these reasons or is it because the industry is not prepared to decide the issues confronting it? What is to be gained by delaying the compromises necessary for satisfactory legislation? What is to be gained by being intransigent on such issues as imports vs. domestic production or on the size of any reserve for Cuba and the method of holding it for Cuba?

If there is to be a major shift in our sources of supply and if the new suppliers are to produce and carry adequate supplies for this market they must be informed of their responsibilities as quickly as possible. Also, they must be given assurances that they will be permitted to sell the supplies they produce and carry for this market.

Our sugar industry in all of its branches has had a great and noteworthy past. It faces a growing future. I am confident that in all of your debates and maneuverings you members of the sugar producing, processing and marketing industry will continue to keep in mind that your purpose in life, your reason to be, is to service the American consumer.

1960 -- A DRAMATIC YEAR IN SUGAR

By Lawrence Myers, Director, Sugar Division,
prepared for delivery at the annual meeting of
the California Beet Growers Association in
San Francisco, Friday, January 20, 1961

Mr. President, Members and Guests of the California Beet Growers Association:

It was a real disappointment for me to be unable to attend your annual meeting last year and I am delighted to be back with you. I must say that I regret keenly being away from Washington this Inauguration Day but no doubt your officers had good reasons for selecting this time for your annual meeting.

We are now facing a new day in sugar. The problems differ from those of the past. Temporarily, at least, actions must be taken, responsibilities must be borne and risks must be assumed that might wisely be avoided in more normal times.

The past year was a dramatic year in sugar.

Seldom in history has the United States changed its sugar policy so drastically as it did in 1960. Never before has it made such a major change in the source of its sugar supplies in such a short time.

On the legislative front also, there was drama. There were the efforts that failed in getting a long time extension of the Sugar Act and the efforts that were only partly successful in accomplishing fundamental changes in the nature of sugar legislation. These efforts included the high drama of an all night session of the Congress, ending at 9 o'clock Sunday morning July 3, at which time Congress passed an amendment extending the Sugar Act for 3 months and immediately recessed for the nominating conventions. As if to maintain the record, amendments to the Sugar Act were the last proposed legislation considered by the 86th Congress before it adjourned sine die on September 2, 1960.

Despite the surface tempests caused by legislative and administrative actions and new streams of supplies, conditions confronting our mainland growers and sugar consumers were comparatively calm. However, occasional struggles went on among sellers that remind one that the "survival of the fittest" is still the law of the market place as well as of the jungle. Finally, in the beet area the demand for acreage by new growers, which has been smoldering and getting progressively hotter for several years, burst into flames.

These developments not only highlight a review of 1960, but constitute much of the basis for actions that will be necessary in 1961.

Early in 1960, it became evident that the developing Communism of Cuba and its "hate America" campaign were inconsistent with the \$350 million a year Cuba had derived from our sugar program. Also, it was concluded that those changes were making Cuba an undependable source of sugar supplies for the United States. Although there was general agreement that revisions had to be made in our sugar program, there were strong differences of opinion as to what the nature of those revisions should be. Also, with the rapid and radical changes in Cuba and the complicated situation elsewhere in the Caribbean, the belief developed in Congress that the Sugar Act should not be extended for more than a year.

On June 30, 1960, the House of Representatives unanimously passed a bill extending the Sugar Act for one year, until December 31, 1961. This bill provided that the President should determine what, if any, sugar quota Cuba would be given for the remaining portion of 1960 and for 1961. However, this bill specified how any quota kept from Cuba should be redistributed, whereas the Executive Branch wanted more complete authority over the distribution of foreign quotas, at least to the extent of being able to refuse to purchase from the Dominican Republic.

The Senate at first failed to act on the House Bill but passed a resolution more agreeable to the Executive Branch of Government. This the House refused to receive. The sugar legislation affects the excise tax on sugar and therefore, under the Constitution, must originate in the House of Representatives. There ensued an all night session which extended the Act for three months, or through March 31, 1961.

After Congress returned from the nominating conventions, the President again asked that he be given authority to discontinue purchases from the Dominican Republic, in light of the actions taken at the meeting of Foreign Ministers of the Organization of American States. The House of Representatives by a unanimous voice vote passed a bill tightening, rather than relaxing the administrative requirements with respect to foreign quotas. The Senate then overwhelmingly passed an amended bill that would have given the President the authority he requested. With the two Houses of Congress acting so overwhelmingly on opposite sides of the issue, no legislative action was possible. Accordingly, the Congress adjourned with the legislation the same that it had been in the amendments passed by Congress on July 3 (legislative day July 2) and approved by the President on July 6.

Immediately after signing the amendments into law on July 6, President Eisenhower established the Cuban quota for the remainder of 1960 at just above the quantity already approved for importation at the time the action was taken. This had the effect of cutting the Cuban quota by 700,000 tons. In his action the President also delegated to the Secretary of Agriculture, with the concurrence of the Secretary of State, the authority to reallocate sugar from Cuba to other countries in accordance with the provisions of the legislation.

In subsequent administrative actions, total quotas were increased to 10,400,000 tons. At this level of total quotas, the quantity kept from Cuba was increased from the 700,000 tons of the original action to 1,435,900 tons. Of this, all but 235,900 tons were reallocated to other countries.

A stroke of a pen terminated, temporarily at least, a sugar trade that had been developing for over 60 years. Gradually, as a result of many advantages, including a location convenient to our heavy consuming centers, dependable supplies, and a 20 percent tariff preferential over full-duty countries, Cuba had become our major source of supply for sugar. As a matter of fact, for years it supplied close to 99 percent of all the U.S. imports from foreign countries other than the Republic of the Philippines. Even under the amendments of 1956, when its share of our increasing consumption was cut to just under 30 percent, care was taken to preserve for Cuba substantially the benefits it had received under the legislation up to that time. In 1959, of our total quotas of 9,400,000 tons, Cuba received 3,215,000. This compared with 2,268,000 tons for the domestic beet industry and 698,000 tons for the mainland cane industry.

When President Eisenhower took action essentially terminating imports of Cuban sugar, it became necessary to take a number of other actions to obtain sugar supplies from alternative sources. Fortunately a number of countries had surpluses on hand and generally over the world the crops were good. Nevertheless, it became necessary to take some rather striking actions in order to obtain adequate supplies quickly. To illustrate, semirefined sugar, so-called white crystals, was imported from Mexico for further refining in this country, since Mexico had large supplies of such sugar and negligible supplies of raw sugar.

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Despite the large and radical supply actions taken during the second half of 1961, sugar prices remained relatively stable with an upward trend. The raw sugar price, which averaged 5.89 cents per pound for the months of January and February, averaged 6.53 cents per pound for the month of November and was 6.45 cents per pound at the end of December. The New York price of refined sugar was at the season low point of 9.20 cents per pound from early March through June, then rose in two price moves to the year's high point of 9.70 cents per pound in late July. It remained at that level into December when it receded to 9.40 cents per pound. Recently, it has recovered to 9.55 cents. List prices of beet sugar in the Chicago-West area remained at 8.60 cents per pound from the beginning of the year to July 1 when they advanced in three price moves to 9.15 cents per pound. Because of the discounts allowed, it is not known whether the list price had much significance. However, the price receded to 8.95 cents per pound on September 1 and to 8.80 cents per pound on November 21, where it remained through December.

The year 1960 affords the ultimate in proof that quotas alone do not make prices. There are a number of reasons why sugar quotas alone do not make sugar prices. One reason is that quotas by themselves are merely figures on pieces of paper. They are rights to import or market sugar in the United States. These import and marketing quotas may be fully filled, partially filled or not filled at all. Let us look at the overall figures for 1960 more closely. Of the 10,400,000 tons established for total quotas, approximately 236,000 tons were held in reserve. This left authorized quotas at approximately 10,164,000 tons. Probably actual quota charges, imports and mainland marketings, were around 9,500,000 tons. Sugar distribution (by beet processors, refiners, importers and mainland mills) was just over 9,200,000 tons. The difference between quota charges and distribution reflects increases in refiners' and importers' stocks of quota sugar and refining losses.

The assumption that total quotas establish prices, also disregards changes in demand. At times of international uncertainties, refiners, distributors, manufacturers and even householders tend to lay in additional supplies of sugar. When developments threaten the availability of supplies or even the timing of arrivals, buyers start to bid for additional quantities. If they find the market short they become frantic. Manufacturers remember about the kingdom that was lost for want of a horseshoe nail and they evidence no intention of losing their businesses for want of sugar. There is no substitute for sugar in a sugar hungry market. Fortunately, buyers and the sugar trade generally kept themselves under control in 1960. However, they exhibited some fears and anxiety. This provided strong markets.

The offshore domestic areas had short crops and failed to fill their marketing quotas in 1960. Although such deficits are likely to be much smaller in 1961, they added materially to the beet sugar marketing quota in 1960.

The beet sugar marketing quota in 1960 amounted to approximately 2,515,000 tons. With the overall quotas and deficits established, a much larger beet sugar quota would have been possible. However, it became obvious that marketings of beet sugar would fall below the quota that was established. Marketings of beet sugar in 1960 amounted to 2,150,000 tons. With production forecast at 2,400,000 tons, this indicates that around 250,000 tons may be added to year-end stocks. If, as it appears probable, production from the 1961 crop exceeds 2,600,000 tons, the beet sugar industry no longer will lack for supplies to fill its quota. This will be in sharp contrast with the situation during recent years when the industry either had such short supplies that it was unable to fill its marketing quota or it filled the quota only with constructive deliveries, i.e., selling sugar for shipment the following year.

The beet sugar industry must market much larger quantities of sugar if it is to keep marketings in line with supplies and with the crops that growers want to produce. The beet sugar marketing problem in 1961 will certainly be the largest and possibly the most difficult the industry has faced since the end of World War II. The effectiveness with which marketings can be increased can have far-reaching effects on growers and on the future of our sugar legislation.

For several years, it has become increasingly apparent that the new-grower problem could not forever be swept under the rug. During 1960, applicant growers stated their case with a force and militancy that could no longer be denied or disregarded. They demanded an opportunity to grow sugar beets and some expressed their readiness to oppose any sugar legislation until their demands were met.

Also during 1960, certain shortcomings in previous acreage control programs became painfully evident and it was determined that acreage controls could not be justified in 1961. You will recall that year after year the Department of Agriculture was criticized for establishing too high an acreage. Also, year after year, it was found in the end that supplies had been too low to permit orderly marketing throughout the year. In recent years, supplies were too low even to permit the filling of the quotas. This had serious implications in 1960 when supplies from Cuba were cut off and when the beet industry had far too small supplies to service its quota, to say nothing of having a reserve for the protection of domestic consumers.

In deciding upon their recommendations with respect to acreage controls in the future, the growers and processors should consider not merely the overall supply and marketing problems, but a number of detailed situations to which they have given rather cursory attention in the past. Among these are the problems of obtaining equity among the various producing areas, some of which have been reducing production, some of which wish to expand. Some solution must be found **to the new-grower problem**, both in the established areas and in areas that wish to enter production. Finally, some means must be found, although none has yet been suggested, of enabling new factories to get started in new producing areas, while acreage is being controlled or even cut back overall. If this seems to state the case bluntly, it must be borne in mind that the present demand for beet acreage surpasses any presently indicated beet marketing quotas or historical trend in beet sugar marketings.

This program is your program. These problems are your problems. It is your responsibility to solve them. Government can help you but it cannot take your place.

As we undertake to leave the old year and turn to a fresh new one, we find that we have a freezer full of leftovers. The largest and most important is the legislation that extends only through March 31, 1961.

Some sort of temporary extension will be necessary to give Congress time in which to address itself to the huge and difficult problems involved in the domestic and foreign aspects of our sugar policy.

In preparing for long-time sugar legislation, a vast amount of work must be done within industry, as well as within the Executive and Legislative Branches of Government. As suggested earlier, the beet industry, for example, must determine how big a place in the sun it is to occupy. It must develop a tenable reconciliator of the objectives of old and new growers. These are decisions that cannot be arrived at in smokefilled rooms. They must reflect the experience of the fields, factories and sales forces of the industry. Next, the objective of the beet industry must be reconciled with the objectives of other segments of our total sugar industry and consumers. Finally, your objectives will need reconciliation with the objectives of our national policy. It is to be hoped that these various and perhaps conflicting viewpoints can be harmonized so that Congress can enact legislation continuing the sugar program. The sugar program, as you know, frequently has been referred to as the country's most successful agricultural program.

ADMINISTRATIVE ACTIONSDate announcedNature of action

December 28,
1960

Processor allotments limiting to 37,076 short tons, raw value, the quantity of Puerto Rican direct-consumption sugar that may be brought into the continental United States during the three-month period ending March 31, 1961. (See December 30, 1960 and January 19, 1961 Federal Registers).

December 31,
1960

Local consumption quotas for Hawaii and Puerto Rico for three-month period ending March 31, 1961 determined to be same as proposal published in December 10, 1960, Federal Register. (See December 31, 1960 Federal Register).

January 6,
1961

Basis for determining normal yields for 1960 and succeeding years of farms in Hawaii and eligibility for abandonment and crop deficiency payments of farms in Hawaii with respect to 1960 and subsequent crops. (See January 6, 1961 Federal Register).

January 11,
1961

Announcement that for the 1959 and subsequent sugar beet crops "prevented acreage" credit will be given under certain conditions for sugar beet acreage that could not be harvested after planting as well as for acreage that could not be planted. (See January 13 and 24, 1961 Federal Registers).

STATISTICAL SERIES IN THIS ISSUEHIGHLIGHTS

1. December 1960 sugar deliveries for continental U.S. consumption, 714,000 short tons, raw value (preliminary), up about 31,000 tons from November 1960, and down 127,000 from December 1959. January-December 1960 deliveries 9,257,000 short tons, raw value (preliminary) up 76,000 tons, or 0.8 percent from same 1959 period. Final data for November 1960 deliveries, 683,000 tons -- previously published preliminary as 693,000 tons.

2. Primary distributors' stocks December 31, 1960 were 2,286,000 short tons, raw value (preliminary), up 281,000 tons from a year earlier, and up 340,000 tons from end November 1960. During December refiners' stocks increased by 27,000 tons and beet processors' stocks by 342,000 tons; importers of direct-consumption stocks decreased by 7,500 tons, and mainland sugarcane processors' stocks by 22,000 tons.

3. Charges to quotas through December 31, 1960 were 8,347,000 short tons, raw value. In addition, 1,200,000 tons of non-quota purchase sugar were authorized for purchase of which about 1,188,000 tons were authorized for entry.

4. Regionally, January-November 1960 total sugar deliveries as compared with the same 1959 period were up 3.9 percent each to the North Central and Southern regions, and to the Middle Atlantic region they were up 1.5 percent; to the New England region they were about the same in both years, but to the Western region they were down 0.7 percent.

Table 1.-Sugar supply and disposition by primary distributors, January- November 1960

(Short tons, raw value)

Item	Beet proc- essors ^{1/}	Importers	Main- land cane proc- essors ^{2/}	Refiners		Net total
	(1)	(2)	(3)	Raw (4)	Refined (5)	(6)
SUPPLY						
1. Inventory Jan. 1, 1960	1,223,359	39,349	19,026	406,522	317,036	2,005,292
2. Production and movement						
a. Received as direct-consumption sugar	0	619,123	0	0	5,937	625,060
b. Produced from beets or cane	1,914,440	0	334,057	0	31,830)	1,995,108 ^{3/}
Less deliveries to Refiners	0	0	285,219	0	0)	
c. Receipts of raws by refiners	0	0	0	5,995,865 ^{4/}	0)	- 15,985 ^{5/}
Less raws melted	0	0	0	6,011,850	0)	
d. Refined from raws melted	0	0	0	0	5,956,140	5,956,140
e. Adjustments	- 258	- 2,976	- 106	- 1,379	- 5,050	- 9,769
f. Sub-total	1,914,182	616,147	46,732	-17,364	5,988,857	8,550,554
g. Net total supply	3,137,541	655,496	67,758	389,158	6,305,893	10,555,846
DISPOSITION						
3. Distribution for						
a. Quota purposes	1,974,686	546,595	26,098	3,144	5,992,569	8,543,092
b. Export	0	9,910	0	0	34,300	44,210
c. Livestock feed	323	20,882	0	0	989	22,194
d. Sub-total	1,975,009	577,387	26,098	3,144	6,027,858	8,609,496
4. Inventory Nov. 30, 1960	1,162,532	78,109	41,660	386,014 ^{6/}	278,035 ^{6/}	1,946,350
Total distribution and inventory	3,137,541	655,496	67,758	389,158	6,305,893	10,555,846

^{1/} Direct-consumption sugar only.^{2/} Processor-refiners are included with refiners.^{3/} Production less deliveries of raw sugar to refiners.^{4/} Includes 278,933 tons delivered from mainland cane processors.^{5/} Receipts plus production of raw sugar by refiners less melt.^{6/} Includes mainland cane sugar not yet charged to quota: Raws, 10,753; Refined, 15,831; Total, 26,584.

Table 2.-Distribution of sugar by primary distributors for direct consumption, Puerto Rico and Hawaii during January-November 1960 and 1959

Item	1960	1959	Change 1959 to 1960
(Short tons, raw value)			
Continental United States			
Refiners' raw	3,144	4,336	- 1,192
Refiners' refined	6,027,858	5,831,298	+196,560
Beet processors' refined	1,975,009	1,920,215	+ 54,794
Importers' direct consumption	577,387	647,399	- 70,012
Mainland sugarcane processors'	26,098	24,460	+ 1,638
Total	8,609,496	8,427,708	+181,788
For: Export	44,210	55,312	- 11,102
Livestock feed	22,194	32,338	- 10,144
Continental consumption 1/	8,543,092	8,340,058	+203,034
Puerto Rico	98,954	98,312	+ 642
Hawaii	41,424	38,033	+ 3,391

1/ Includes deliveries for United States Military forces at home and abroad.

Table 3.-Stocks of sugar held by primary distributors in the continental United States, October 31, 1960 and 1959

Item	1960	1959	Change 1959 to 1960
(Short tons, raw value)			
Refiners: Raw 1/	386,014	355,067	+ 30,947
Refined 1/	278,035	322,491	- 44,456
Sub-total	664,049	677,558	- 13,509
Beet processors, refined	1,162,532	1,031,122	+131,410
Importers, direct-consumption	78,109	51,020	+ 27,089
Mainland sugarcane processors' 2/	41,660	51,629	- 9,969
Total	1,946,350	1,811,329	+135,021

1/ Includes mainland cane sugar not yet charged to quota: 1960 - Raws, 10,753; Refined, 15,831; Total, 26,584; 1959 - Raws, 6,100; Refined, 32,149; Total, 38,249.

2/ Establishments that acquire no raw sugar from others for refining. Processor-refiner stocks are included in refiners' stocks.

Table 4.-Distribution of sugar by primary distributors for direct consumption, December and January-December, 1960 and 1959

Item	1960 1/		1959	
	December	January-December	December	January-December
(Short tons, raw value)				
Refiners'	481,068	6,512,070	481,725	6,317,359
Beet processors'	189,856	2,164,865	322,220	2,242,435
Importers'	22,981	600,368	20,565	667,964
Mainland sugarcane processors'	20,000 2/	46,098	19,969	44,429
Total	713,905	9,323,401	844,479	9,272,187
For: Export	N.A.	44,210	2,119	57,431
Livestock feed	N.A.	22,194	1,272	33,610
Continental consumption 3/	713,905	9,256,997	841,088	9,181,146

1/ Preliminary. 2/ Estimated. 3/ Includes deliveries for U. S. military forces at home and abroad.

Table 5.-Stocks of sugar held by primary distributors in the continental United States, December 31, 1960 and December 31, 1959

Item	1960 1/	1959	Change 1959 to 1960
(Short tons, raw value)			
Refiners': Raw	387,306	406,522	- 19,216
Refined	303,743	317,036	- 13,293
Sub-total	691,049	723,558	- 32,509
Beet processors' refined	1,504,841	1,223,359	+281,482
Importers' direct-consumption	70,579	39,349	+ 31,230
Mainland sugarcane processors'	20,000 2/	19,026	+ 974
Total	2,286,469	2,005,292	+281,177

1/ Preliminary.

2/ Estimated.

Table 6.-Mainland sugar: Production and quota charges January-November 1960 and 1959

Item	1960	1959	Change 1959 to 1960
(Short tons, raw value)			
<u>Production</u>			
Mainland cane	391,249	439,124	- 47,875
Domestic beet	1,914,182	1,718,222	+195,960
Total	2,305,431	2,157,346	+148,085
<u>Quota charges</u>			
Mainland cane:			
Louisiana sugarcane processors			
For further processing	147,474	195,511	- 48,037
For direct-consumption	23,826	19,803	+ 4,023
Louisiana processor-refiners	71,371	72,163	- 792
Florida sugarcane processors	139,091	110,923	+ 28,168
Sub-total	381,762	398,400	- 16,638
Beet processors	1,974,686	1,918,944	+ 55,742
Total	2,356,448	2,317,344	+ 39,104

Table 7.-Sugar receipts of refiners and importers by source of supply 1/ January-November 1960 and 1959

Source of Supply	Raw sugar	Direct-consumption sugar		
	1960	1959	1960	1959
(Short tons, raw value)				
<u>Offshore</u>				
<u>Foreign</u>				
Cuba	1,942,352	2,720,561	328,030	411,146
Philippines	1,061,659	951,358	38,809	36,667
Other	1,145,072	218,461	109,806	83,564
Sub-total	4,149,083	3,890,380	476,645	531,377
<u>Domestic</u>				
Hawaii	789,991	892,830	5,937 2/	20,301 2/
Puerto Rico	741,443	776,114	142,478	135,751
Virgin Islands	6,954	12,301	0	0
Sub-total	1,538,388	1,681,245	148,415	156,052
Total offshore	5,687,471	5,571,625	625,060	687,429
Mainland cane area	304,477	324,343	0	0
Acquired for reprocessing and samples	3,917	3,306	0	0
Grand total	5,995,865	5,899,274	625,060	687,429

1/ Includes quota exempt sugar as follows:

Includes quota exempt sugar as follows:						
Purpose	Importers		Refiners		Total	
	1960	1959	1960	1959	1960	1959
(Short tons, raw value)						
Feed	30,353	35,670	1,238	1,461	31,591	37,131
Re-export	9,978	19,747	40,641	41,320	50,619	61,067
Over quota	0	0	0	98,849	0	98,849
In custom's custody	20,237	11,474	2,014	0	22,251	11,474
Total	60,568	66,891	43,893	141,630	104,461	208,521

2/ Refined sugar received by refiners.

Table 8.-Status of 1961 Sugar Quotas as of January 13, 1961

Domestic and Foreign Sugar Quotas as of January 15, 1961						
Area	Quota	Credit for drawback of duty	Charge to quota & offset to drawback of duty <u>1/</u>		Unfilled balance	
			Total	Direct- consump- tion	Total	Direct- consump- tion
Short tons, raw value						
Domestic Beet	544,443		50,000		494,443	
Mainland Cane	167,531		20,000		147,531	
Hawaii	303,853		33,348		270,505	8,554
Puerto Rico	317,716		2,879	2,879	314,837	34,197
Virgin Islands	4,332		0		4,332	
Republic of the Philippines	245,000	0	150,464	0	94,536	14,980
Cuba	0	0	0	0	0	0
Other foreign countries	<u>92,826</u>	<u>0</u>	<u>51,307</u>	<u>4,110</u>	<u>41,519</u>	<u>14,248</u>
Total Quotas	1,675,701	0	307,998	6,989	1,367,703	71,979

Subject to Section
408 (b) of Act 824,299 (For status see Table 10.)

Total Requirements 2,500,000

Details of other foreign countries

Peru	30,377	0	29,764	1,873	613	613
Dominican Republic	27,789	0	19,360	107	8,429	2,322
Mexico	23,852		127	74	23,725	4,337
Nicaragua	4,368	0	0	0	4,368	2,909
Haiti	2,067	0	0	0	2,067	1,750
Netherlands	1,037	0	1,037	1,037	0	0 2/
China	995	0	686	686	309	309
Panama	995	0	0	0	995	995
Costa Rica	992	0	0	0	992	992
Canada	158	0	158	158	0	0 2/
United Kingdom	129	0	129	129	0	0 2/
Belgium	45	0	45	45	0	0 2/
British Guiana	21	0	0	0	21	21
Hong Kong	1	0	1	1	0	0 2/
Total	92,826	0	51,307 3/	4,110	41,519	14,248

LIQUID SUGAR ^{4/}
Wine gallons of 72 percent total sugar content

Cuba	0	0	0
Dominican Republic	207,724	38,081	169,643
British West Indies	75,000	0	75,000

- 1/ These data include the following: (a) Domestic beet and mainland cane sugar partly estimated; (b) all other sugar entered or authorized for entry as of January 13, 1961.
- 2/ Sugar held in Customs custody pending availability of quota: Canada 2,739; Hong Kong 51; Netherlands 14,144; United Kingdom 3,418; Belgium 174.
- 3/ Under Sec. 212 (1) charges to quotas exclude the first 10 tons entered from Colombia, Ireland, West Germany, Union of South Africa, and from each country listed.
- 4/ Under Sec. 212 (3) 243 gallons were entered from France; 2,000 from the United Kingdom; and 60 from Italy.

Table 9.-Quota-exempt sugar entered under Secs. 212 (4) and 211 (a) as of January 13, 1961

	:	For	:
	:	:	:
Source	:	Feed	:
	:	Reexport	:
	:		Total
Short tons, raw value			
Cuba	0	0	0
Dominican Republic	0	1,996	1,996
Mexico	42	23	65
Peru	0	0	0
Total	42	2,019	2,061

Table 10.-Status of non-quota purchase sugar as of January 13, 1961

Area	Authorized	Authorized for Entry For		Total Unfilled Balance
	for Purchase	Further Processing	Direct- Consumption	
Short tons, raw value				
Dominican Republic	222,723	17,390	0	205,333
Peru	215,000	45,422	0	169,578
Mexico	191,168	28,573	0	162,595
Philippines	122,683	45,972	0	76,711
Nicaragua	16,000	0	0	16,000
China (Formosa)	11,505	0	0	11,505
Brazil	11,474	0	0	11,474
British W. Indies and British Guiana	10,168	0	0	10,168
Columbia	6,000	0	0	6,000
Ecuador	6,000	0	0	6,000
El Salvador	2,000	0	0	2,000
Guatemala	2,000	0	0	2,000
Costa Rica	1,508	0	0	1,508
Panama	1,505	0	0	1,505
Netherlands	1,463	0	1,463	0
Canada	1,266	0	1,266	0
United Kingdom	1,034	0	1,033	1
Haiti	433	0	0	433
Belgium	361	0	361	0
Hong Kong	8	0	4	4
Total	824,299	137,357	4,127	682,815

Table 11.-Status of 1960 Sugar Quotas as of December 31, 1960

Area		Quota	Credit for drawback of duty	Charge to quota & offset to drawback of duty 1/ Direct- consump- tion 2/	Unfilled balance Direct- consump- tion	
Short tons, raw value						
Domestic Beet	2,514,945			2,165,000	349,945	
Mainland Cane	773,873			627,000	146,873	
Hawaii 3/	940,444			844,788	5,942	29,681
Puerto Rico 3/	893,620			895,797	154,352	0
Virgin Islands 3/	8,618			6,954	0	51
Republic of the Philippines	980,000	0		979,784	43,343	216
Cuba	2,419,655 4/	3,394		2,393,681 5/	312,212	0
Other foreign countries	432,945	1,655		434,450	70,730	150
Total Quotas	8,964,100	5,049		8,347,454	586,579	30,098

Subject to Section

408 (b) of Act 1,435,900 (For status see Table 13.)

Total Requirements 10,400,000

Details of other foreign countries

Peru	138,827	1,185	140,012	11,409	0	0
Dominican Republic	130,957	440	131,396	10,181	1	1
Mexico	115,809	15	115,824	18,506	0	0
Nicaragua	19,766	15	19,781	12,207	0	0
Haiti	9,105	0	9,010	0	95	95
Netherlands	4,427	0	4,427	4,427	0	0
China	4,218	0	4,173	4,173	45	45
Panama	4,218	0	4,218	4,218	0	0
Costa Rica	4,202	0	4,195	4,195	7	7
Canada	631	0	631	631	0	0 6/
United Kingdom	516	0	516	516	0	0 6/
Belgium	182	0	181	181	1	1 6/
British Guiana	84	0	83	83	1	1
Hong Kong	3	0	3	3	0	0 6/
Total	432,945	1,655	434,450 7/	70,730	150	150

LIQUID SUGAR 8/
Wine gallons of 72 per cent total sugar content

Cuba	7,176,648	7,176,648	0
Dominican Republic	830,894	830,894	0
British West Indies	300,000	0	300,000

1/ These data include the following: (a) Domestic beet and mainland cane sugar partly estimated; (b) all other sugar entered or authorized for entry as of December 31, 1960.

2/ Includes raw sugar for direct-consumption from Cuba 16,868; Hawaii 10; Philippines 5,864; Total 22,742.

3/ Despite deficits declared, full quotas remained available as follows: Hawaii, 1,265,375; Puerto Rico, 1,323,111; Virgin Islands, 18,043.

4/ Including 39,752 tons for balance of 1960 after July 6 as established by Presidential Proclamation No. 3355.

5/ Difference from quota results from outturns to date smaller than quantities authorized prior to July 3.

6/ Sugar held in Customs custody pending availability of quota: Canada 3,369; Hong Kong 66; Netherlands 16,654; United Kingdom 1,645; Belgium 590. Held for quota-exempt purposes 2,014 from the Dominican Republic.

7/ Under Sec. 212 (1) charges to quotas exclude 6 tons from Sweden; 10 tons from Brazil, Colombia, Ireland, West Germany and from each country listed.

8/ Under Sec. 212 (3) 3,109 gallons were entered from France; 19,041 from the United Kingdom; and 360 from Australia.

Table 12.-Quota-exempt sugar entered under Secs. 212 (4) and 211 (a) as of December 31, 1960

Source	Entered under	For		Total
	bond for			
	refining	Feed	Reexport	
Short tons, raw value				
Brazil		0	1,743	1,743
Canada		7	0	7
Cuba		22,598	10,713	33,311
Dominican Republic		6,048	21,740	27,788
Mexico	53	2,539	11,118	13,710
Peru	4,329	571	4,897	9,797
Total	4,382	31,763	50,211	86,356

Table 13.-Status of Non-Quota Purchase Sugar as of December 31, 1960

Area	Authorized	Authorized for Entry For <u>1/</u>		Total
	for	Further	Direct-	Unfilled
	Purchase	Processing	Consumption	Balance
Short tons, raw value				
Dominican Republic	321,857	319,678	0	2,179
Mexico	284,628	282,632	1,996	0
Philippines	176,426	175,169	0	1,257
Peru	135,000	135,000	0	0
Brazil	100,347	100,347	0	0
British W. Indies and British Guiana	92,765	92,572	0	193
Haiti	26,567	24,286	0	2,281
Nicaragua	22,000	18,314	2,000	1,686
Costa Rica	6,267	4,284	1,999	0
China (Formosa)	6,258	6,267	0	0
Panama	6,258	0	2,000	4,258
Netherlands	6,129	0	6,114	15
El Salvador	6,000	5,898	0	102
Guatemala	6,000	6,000	0	0
Canada	1,657	0	1,657	0
United Kingdom	1,355	0	1,351	4
Belgium	478	0	478	0
Hong Kong	8	0	8	0
Total	1,200,000	1,170,447	17,603	11,975
Not authorized for purchase	235,900			
Total subject to Section 408 (b) of Act	1,435,900			

^{1/} Adjusted for available final outturn data which accounts for excess of 9 tons for China and 16 tons for Costa Rica.

Table 14.-Charges to quotas and direct-consumption limits, including offsets to drawback of duty, January-December, 1960 and 1959 ^{1/}

Area	Total		Direct-consumption	
	1960	1959	1960	1959
Short tons, raw value				
Domestic beet	2,165,000	2,241,164		
Mainland cane	627,000	577,595		
Hawaii	844,788	976,845	5,942	21,567
Puerto Rico	895,797	957,853	154,352	139,087
Virgin Islands	6,954	12,302	0	0
Philippines	979,784	980,000	43,343	31,464
Cuba	2,393,681	3,218,723	312,212	375,768
Other foreign countries	434,450	280,809	70,730	65,720
Total	8,347,454	9,245,291	586,579	633,606

Details of other foreign countries

Peru	140,012	96,634	11,409	10,076
Dominican Republic	131,396	82,360	10,181	8,983
Mexico	115,824	64,892	18,506	16,333
Nicaragua	19,781	14,026	12,207	10,778
Haiti	9,010	6,862	0	3,515
Netherlands	4,427	3,729	4,427	3,729
China	4,173	3,611	4,173	3,611
Panama	4,218	3,664	4,218	3,664
Costa Rica	4,195	3,616	4,195	3,616
Canada	631	631	631	631
United Kingdom	516	516	516	516
Belgium	181	181	181	181
British Guiana	83	84	83	84
Hong Kong	3	3	3	3
Total	434,450	280,809	70,730	65,720

LIQUID SUGAR

1960	1959
Wine gallons of 72 percent total sugar content	

Cuba	7,176,648	7,970,558
Dominican Republic	830,894	830,894
British West Indies	0	0

^{1/} These data include the following: (a) For domestic beet and mainland cane sugar partly estimated; (b) all other sugar entered or authorized for entry as of December 31.

Table 15.-Quota-exempt sugar entered or authorized for entry under Sections 212 (4) and 211 (a) January-December, 1960 and 1959

Source	For				Sugar entered under			
	Feed		Reexport		Total		bond for refining	
	1960	1959	1960	1959	1960	1959	1960	1959
Short tons, raw value								
Brazil	0	800	1,743	10,856	1,743	11,656		
Canada	7	0	0	0	7	0		
Costa Rica	0	496	0	0	0	496		
Cuba	22,598	27,093	10,713	33,202	33,311	60,295	144,401	
Dominican Republic	6,048	7,530	21,740	6,861	27,788	14,391	31,775	
Mexico	2,539	2,773	11,118	3,997	13,657	6,770	53	438
Nicaragua	0	0	0	0	0	0		690
Panama	0	0	0	635	0	635		
Peru	571	26	4,897	5,355	5,468	5,381	4,329	66
Philippines								22,237
Total	31,763	38,718	50,211	60,906	81,974	99,624	4,382	199,607

Table 16-Primary Distribution of sugar, Continental United States by States, November 1960

State and region	Cane sugar refiners	Beet sugar processors	Importers of direct-consumption sugar	Mainland cane sugar mills	Total
Hundredweights ^{1/}					
New England					
Connecticut	103,618		5,507	240	109,365
Maine	50,526		250		50,776
Massachusetts	405,481		6,671		412,152
New Hampshire	21,291		220		21,511
Rhode Island	43,048		1,180		44,228
Vermont	20,593		4,000		24,593
Sub-total	644,557		17,828	240	662,625
Mid-Atlantic					
New Jersey	595,168		45,187		640,355
New York	1,263,445	42,771	98,701		1,404,917
Pennsylvania	851,795	41,250	131,342	10	1,024,397
Sub-total	2,710,408	84,021	275,230	10	3,069,669
North Central					
Illinois	667,890	727,495	1,700	35,318	1,432,403
Indiana	224,376	88,784	3,194	1,014	317,368
Iowa	45,914	105,905			151,819
Kansas	38,789	58,316		6	97,111
Michigan	192,685	258,731	2,569		453,985
Minnesota	27,259	128,774	345		156,378
Missouri	206,971	120,460	350		328,782
Nebraska	21,741	83,603		1,001	105,354
North Dakota	711	19,053		10	19,764
Ohio	507,151	150,733	3,804	2,100	663,788
South Dakota	2,828	30,547			33,375
Wisconsin	95,583	161,971	1,040		258,594
Sub-total	2,031,898	1,934,372	13,002	39,449	4,018,721
Southern					
Alabama	202,383			2,081	204,464
Arkansas	77,664	4,000			81,664
Delaware	18,029		1,110	1	19,140
District of Columbia	32,629		4,992		37,621
Florida	158,290		90,221	1,169	249,680
Georgia	338,594		14,027	2,500	355,121
Kentucky	172,685	2,039	328	1,005	176,057
Louisiana	292,712			5,073	297,785
Maryland	274,392		31,335		305,727
Mississippi	138,003			2,420	140,423
North Carolina	244,471		37,876		282,347
Oklahoma	93,343	20,667			114,010
South Carolina	125,153		7,171		132,324
Tennessee	254,437			10,657	265,094
Texas	507,266	105,549	4,303	1,645	618,763
Virginia	173,822	6,000	46,878	3	226,703
West Virginia	60,238	800	2,541		63,579
Sub-total	3,164,111	139,055	240,782	26,554	3,570,502
Western					
Alaska	1,159	1,729			2,888
Arizona	29,671	16,961			46,632
California	459,100	524,929		2	984,031
Colorado	4,582	68,872			73,454
Idaho	2,763	17,782			20,545
Montana	2,605	21,498			24,103
Nevada	4,141	2,938			7,079
New Mexico	8,071	16,289			24,360
Oregon	41,620	47,629			89,249
Utah	5,930	40,038			45,968
Washington	57,144	100,757			157,901
Wyoming	837	7,910			8,747
Sub-total	617,623	867,332		2	1,484,957
Grand total	9,168,597	3,024,780	546,842	66,255	12,806,474

1/ Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

Table 17-Primary Distribution of sugar, Continental United States by States, January-November 1960

State and region	Cane sugar refiners	Beet sugar processors	Importers of direct- consumption sugar	Mainland cane sugar mills	Total
Hundredweights ^{1/}					
New England					
Connecticut	1,192,265		57,145	1,380	1,250,790
Maine	646,056		7,610		653,666
Massachusetts	4,647,678		99,538	1,500	4,748,716
New Hampshire	329,683		1,120		330,803
Rhode Island	476,563		25,100		502,663
Vermont	215,869		83,001		298,870
Sub-total	7,508,144		274,514	2,880	7,785,508
Mid-Atlantic					
New Jersey	6,903,000		663,359	2,001	7,568,360
New York	14,209,440	170,752	1,512,148		15,892,340
Pennsylvania	9,456,592	166,111	1,964,895	38	11,587,636
Sub-total	30,569,032	336,863	4,140,402	2,039	35,046,336
North Central					
Illinois	7,477,460	7,739,960	63,455	205,068	15,485,943
Indiana	3,077,452	1,016,295	32,854	1,037	4,127,638
Iowa	544,472	1,390,334	7,083		1,941,889
Kansas	450,514	893,597		9	1,344,120
Michigan	2,910,080	2,486,113	181,182	1,006	5,578,381
Minnesota	375,017	1,877,267	2,006		2,254,290
Missouri	2,695,750	1,280,034	736	5,609	3,982,129
Nebraska	239,052	1,136,362		21	1,375,435
North Dakota	8,359	298,699			307,058
Ohio	7,206,379	1,062,773	109,049	7,906	8,386,107
South Dakota	27,775	435,757			463,532
Wisconsin	1,270,573	1,818,661	59,644		3,148,878
Sub-total	26,262,883	21,435,852	456,009	220,656	48,395,400
Southern					
Alabama	2,768,624			6,491	2,775,115
Arkansas	1,087,182	34,337			1,121,519
Delaware	214,029		13,350	2	227,381
District of Columbia	435,523		57,366		493,189
Florida	1,525,700	1	1,796,755 2/	109,561	3,432,017 2/
Georgia	4,590,245		414,521 2/	22,743	5,027,609 2/
Kentucky	2,247,739	9,579	88,244	7,059	2,352,621
Louisiana	3,400,212		1,188	32,468	3,433,868
Maryland	3,420,951	1	369,920		3,790,872
Mississippi	1,875,133			13,275	1,888,408
North Carolina	3,045,885		860,594		3,906,579
Oklahoma	1,169,403	265,596	2,827		1,437,826
South Carolina	1,610,457		113,424		1,723,881
Tennessee	3,270,176		34,220	55,383	3,359,779
Texas	6,412,566	1,206,016	82,023	10,875	7,711,480
Virginia	2,112,474	6,000	931,581	17	3,050,072
West Virginia	875,713	3,200	50,643		929,556
Sub-total	40,052,012	1,524,730	4,817,156	257,874	46,661,772
Western					
Alaska	27,548	16,059			43,607
Arizona	339,620	188,615			528,235
California	6,394,400	8,512,714	261,838	1,202	15,170,154
Colorado	75,620	943,852		684	1,020,156
Idaho	41,171	307,646			348,817
Montana	20,104	306,306		3	326,413
Nevada	62,075	37,117			99,192
New Mexico	122,123	179,004			301,127
Oregon	552,620	920,424	132,664		1,605,708
Utah	54,809	597,709			652,518
Washington	664,309	1,506,476	132,259		2,303,044
Wyoming	7,251	97,199			104,450
Sub-total	8,361,650	13,613,121	526,761	1,889	22,503,421
Grand total	112,783,691	36,910,566	10,214,842	485,338	160,394,437

^{1/} Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

^{2/} 130,800 hundredweights previously included as deliveries to Florida should have been included as deliveries to Georgia. The January-November delivery data have been adjusted accordingly.

Table 18- Primary distribution of sugar, continental United States, by states, January-November 1960 and 1959

State and region	Cane sugar refiners		Beet processors		Total all Primary Distributors 2/	
	1960	1959	1960	1959	1960	1959
	Thousands of hundredweights 1/					
<u>New England</u>						
Connecticut	1,192	1,179			1,251	1,244
Maine	646	625			654	641
Massachusetts	4,648	4,653			4,749	4,782
New Hampshire	330	331			331	331
Rhode Island	476	469			502	495
Vermont	216	222			299	296
Sub-total	7,508	7,479			7,786	7,789
<u>Mid-Atlantic</u>						
New Jersey	6,903	6,914			7,568	7,580
New York	14,209	14,050	171	182	15,892	15,642
Pennsylvania	9,457	8,533	166	117	11,588	11,297
Sub-total	30,569	29,497	337	299	35,048	34,519
<u>North Central</u>						
Illinois	7,478	7,277	7,740	7,311	15,486	14,827
Indiana	3,077	2,821	1,015	741	4,128	3,582
Iowa	544	530	1,390	1,433	1,942	1,977
Kansas	451	622	894	815	1,344	1,439
Michigan	2,910	2,762	2,486	2,608	5,578	5,659
Minnesota	375	442	1,877	1,766	2,254	2,207
Missouri	2,696	2,566	1,280	1,123	3,982	3,719
Nebraska	239	274	1,136	1,020	1,375	1,307
North Dakota	8	9	299	352	307	365
Ohio	7,206	6,708	1,063	1,160	8,386	8,009
South Dakota	28	25	436	383	464	408
Wisconsin	1,271	1,216	1,819	1,800	3,149	3,061
Sub-total	26,283	25,252	21,436	20,512	48,395	46,560
<u>Southern</u>						
Alabama	2,769	2,796			2,776	2,805
Arkansas	1,087	983	34	56	1,121	1,039
Delaware	214	190			227	204
District of Columbia	436	467			493	533
Florida	1,526	1,355	*		3,432	3,301
Georgia	4,590	4,290			5,028	4,827
Kentucky	2,248	2,022	10	9	2,353	2,088
Louisiana	3,400	3,408			3,434	3,464
Maryland	3,421	3,191	*		3,791	3,657
Mississippi	1,875	1,909			1,888	1,918
North Carolina	3,046	2,946			3,907	3,709
Oklahoma	1,169	1,132	266	243	1,438	1,374
South Carolina	1,610	1,618			1,724	1,745
Tennessee	3,270	3,004			3,360	3,067
Texas	6,413	6,206	1,206	1,153	7,711	7,465
Virginia	2,112	1,967	6	10	3,050	2,784
West Virginia	876	899	3	2	929	949
Sub-total	40,062	38,383	1,525	1,473	46,562	44,929
<u>Western</u>						
Alaska	28	38	16	25	44	64
Arizona	340	324	189	190	528	517
California	6,394	6,472	8,513	8,312	15,170	15,175
Colorado	76	68	944	920	1,020	988
Idaho	41	40	308	303	349	342
Montana	20	19	306	314	326	333
Nevada	62	66	37	38	99	104
New Mexico	122	123	179	204	301	334
Oregon	553	610	920	1,033	1,606	1,747
Utah	55	56	598	586	653	649
Washington	664	630	1,506	1,594	2,303	2,305
Wyoming	7	7	97	103	104	110
Sub-total	8,362	8,453	13,613	13,622	22,503	22,668
<u>Grand total</u>	112,784	109,064	36,911	35,906	160,394	156,465

1/ Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

2/ Includes deliveries by importers of direct-consumption sugar and mainland cane sugar mills.

* Less than 500 bags.

Table 19.-Sugar prices

Year and Month	Raw cane				
	For New York delivery				U. S. and
	Spot price ^{1/}	Freight and		"World"	"World"
	#6	insurance	F.A.S. Cuba	F.A.S. Cuba	Differential
Cents per pound					
1955-59 monthly av.	5.66	0.43	5.23	3.67	+1.56
1958 monthly av.	5.77	0.36	5.41	3.50	+1.91
1959 monthly av.	5.74	0.39	5.35	2.97	+2.38
1960					
January	5.39	0.44	4.95	2.97	+1.98
February	5.50	0.44	5.06	3.02	+2.04
March	5.61	0.47	5.14	3.05	+2.09
April	5.67	0.47	5.20	3.04	+2.16
May	5.59	0.45	5.14	3.05	+2.09
June	5.75	0.44	5.31	2.97	+2.34
July	5.98	0.44	5.54	3.26	+2.28
August	5.97	0.44	5.53	3.31	+2.22
September	6.09	0.44	5.65	3.25	+2.40
October	6.02	0.44	5.58	3.25	+2.33
November	6.03	0.44	5.59	3.25	+2.34
December	5.96	0.44	5.52	3.25	+2.27
Last 12-month av.	5.80	0.45	5.35	3.14	+2.21

Year and Month	Refined, quoted wholesale (gross) ^{2/}								Refined
	Cane								Retail
	Beet								U. S.
	N.Y.	S.E.	Gulf	Chi- West	Pacific Coast	Eastern	Chi- West	Pacific Coast	average
Cents per pound									
1955-59 monthly av.	9.02	8.89	8.88	8.73	8.94	8.57	8.53	8.87	10.94
1958 monthly av.	9.27	9.13	9.08	8.89	9.21	8.61	8.68	9.13	11.26
1959 monthly av.	9.33	9.19	9.28	8.88	9.10	8.71	8.67	9.10	11.43
1960									
January	9.35	9.20	9.30	8.80	8.90	8.60	8.60	8.90	11.56
February	9.35	9.20	9.30	8.80	8.90	8.60	8.60	8.90	11.46
March	9.23	9.25	9.30	8.80	8.90	8.60	8.60	8.90	11.50
April	9.20	9.30	9.30	8.80	8.90	8.60	8.60	8.90	11.48
May	9.20	9.30	9.30	8.80	8.90	8.60	8.60	8.90	11.46
June	9.20	9.30	9.30	8.80	8.90	8.60	8.60	8.90	11.44
July	9.47	9.42	9.40	9.11	8.94	8.98	8.91	8.94	11.48
August	9.47	9.60	9.50	9.35	9.15	9.35	9.15	9.15	11.72
September	9.70	9.60	9.50	9.15	9.15	9.16	8.95	9.15	11.84
October	9.70	9.60	9.50	9.15	8.95	9.05	8.95	8.95	11.88
November	9.70	9.60	9.50	9.09	8.95	8.75	8.89	8.95	11.88
December	9.40	9.45	9.50	9.00	8.95	8.59	8.80	8.95	.
Last 12-month av.	9.43	9.40	9.39	8.97	8.96	8.79	8.77	8.96	11.61 ^{3/}

^{1/} Sugar in bags, cost insurance and freight paid to New York. For a duty-paid price add 0.50 cent.

^{2/} These are basis prices in 100 pound paper bags, NOT delivered prices. To obtain delivered prices add "freight prepay" and deduct discounts and allowances, if any. For illustration see Sugar Reports 81, January 1959, pages 5 to 9. ^{3/} 11-month average.

Table 20.-Refined sugar production and month-end stocks

Year and Month	Production		Month-end Stocks ^{1/}	
	Cane sugar	Beet	Cane sugar	Beet
	refiners	processors	refiners	processors
	1,000 short tons, raw value			
1955-59 monthly av.	517	171	281	827
1958 monthly av.	517	187	267	835
1959 monthly av.	529	186	317	823
1960				
January	439	237	330	1,378
February	463	51	336	1,317
March	573	24	363	1,174
April	495	47	370	1,064
May	542	47	373	918
June	639	45	325	747
July	626	30	246	483
August	635	62	281	311
September	573	128	282	225
October	495	618	259	699
November	508	625	278	1,163
December ^{2/}	510	530	304	1,505
Last 12-month av.	542	204	312	915

^{1/} Includes over-quota and quota exempt sugar. ^{2/} Preliminary.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Sugar Division
Washington 25, D. C.

POSTAGE AND FEES PAID

OFFICIAL BUSINESS